



Kentucky Economic Update

June 17, 2016

Summary

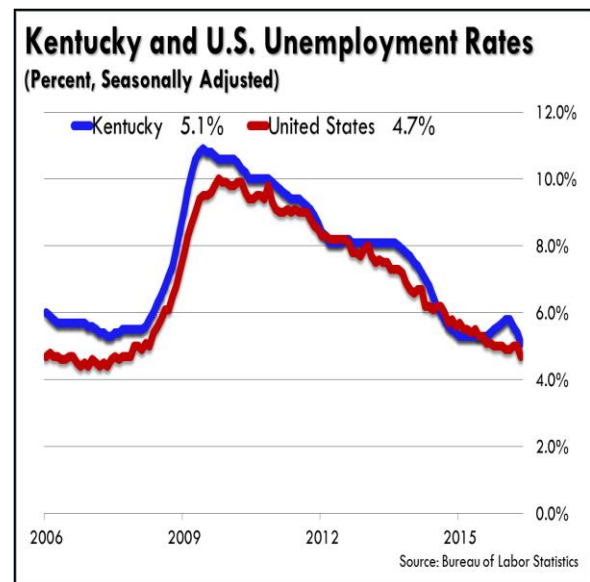
Nonfarm payroll employment in Kentucky increased by 600 jobs and the unemployment rate fell to 5.1 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Kentucky Unemployment Rate

During May, the unemployment rate in Kentucky declined by 0.3 percentage point to 5.1 percent. The number of people counted as unemployed fell by 5,051 in May to 101,169, while the labor force fell by 2,448 to 1,980,221. Among the 50 states and the District of Columbia, 30 posted lower unemployment rates for the month than Kentucky. A year earlier, the unemployment rate in Kentucky stood at 5.3 percent.

The 10 year peak for the unemployment rate in Kentucky was 10.9 percent in June 2009. The series high for the unemployment rate in Kentucky occurred in February 1983 when the unemployment rate reached 12.1 percent. The 10 year low for the unemployment rate in Kentucky was 5.1 percent in May 2016. The series low for the unemployment rate in Kentucky occurred in May 2000 when the unemployment rate reached 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Kentucky Payroll Employment

Kentucky nonfarm payrolls increased by 600 jobs, or 0.03 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 5,000. Over the past 12 months nonfarm payrolls in Kentucky increased by 23,100, or 1.23 percent. Kentucky nonfarm payroll employment has increased in 9 of the past 12 months.

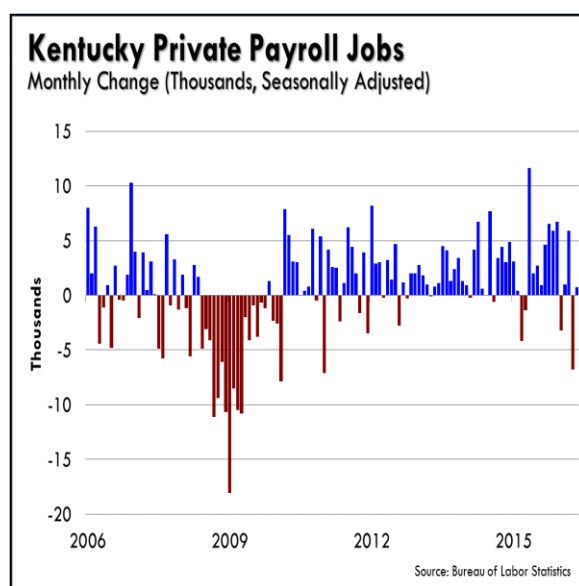
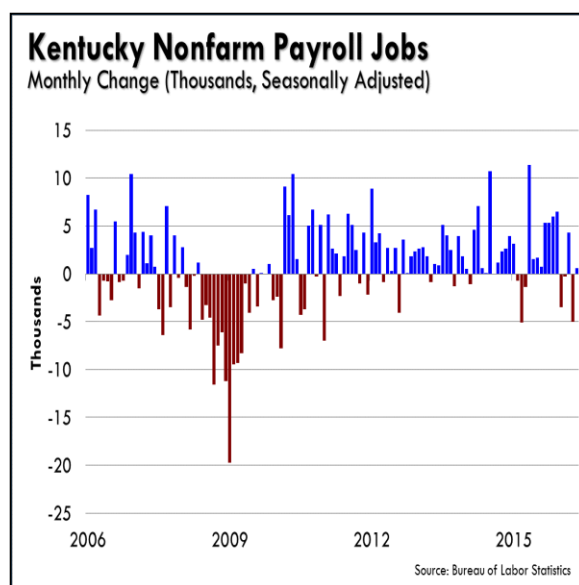
Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Kentucky ranks 29th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Kentucky private sector payrolls increased by 700, or 0.04 percent. Private sector payrolls declined by 6,800 jobs in the prior month. Over the past 12 months, private sector payrolls in Kentucky increased by 26,900, or 1.72 percent. Kentucky private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Kentucky ranks 23rd among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Kentucky declined by 100, or 0.03 percent. Federal government payroll employment increased by 400, or 1.10 percent. State government payroll employment declined by 700, or 0.72 percent, while local government payroll employment increased by 200, or 0.11 percent.



Over the past year, total government payroll employment declined by 3,800, or 1.19 percent. State government payroll employment declined by 3,500, or 3.49 percent. Local government payroll employment declined by 600, or 0.33 percent.

The best performing sectors on a seasonally adjusted basis during May were Leisure & Hospitality (+1,900) and Manufacturing (+1,000). The poorest performing sectors during the month were Professional & Business Services (-2,000) and Information (-600).

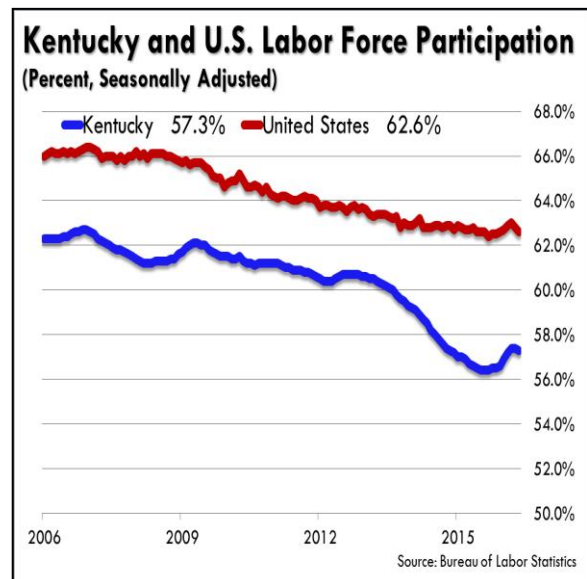
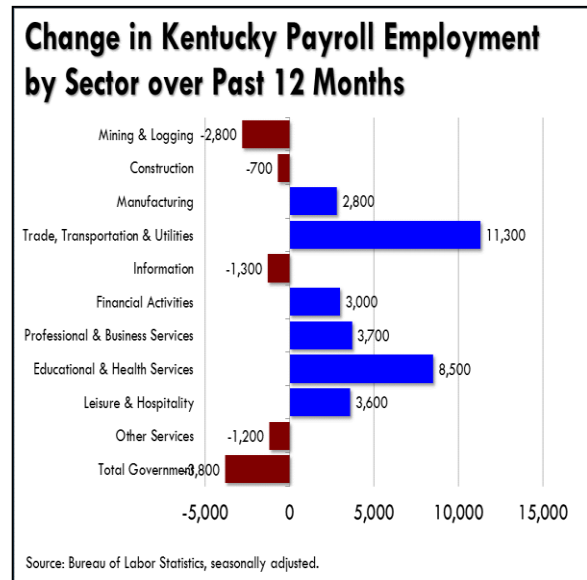
The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+11,300) and Educational & Health Services (+8,500). The poorest performing sectors for the year were Total Government (-3,800) and Mining & Logging (-2,800).

Other Kentucky Labor Force Statistics

The labor force participation rate in Kentucky declined to 57.3 percent in May from 57.4 percent the prior month. At 57.3 percent, Kentucky has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Kentucky is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Kentucky was 62.7 percent in December 2006. The series high for the labor force participation rate in Kentucky occurred in August 1999 when the labor force participation rate hit 64.1 percent. The 10 year low for the labor force participation rate was 56.4 percent in September 2015. This also represents the series low for the labor force participation rate in Kentucky.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.



The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, rose to 54.4 percent in May from 54.3 percent the prior month. At 54.4 percent, Kentucky has one of the five lowest employment-to-population ratios in the nation. The employment-to-population ratio in Kentucky is 0.8 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in Kentucky was 59.1 percent in January 2007. The series high for the employment-to-population ratio in Kentucky occurred in April 2000 when the employment-to-population ratio hit 61.3 percent. The 10 year low for the employment-to-population ratio was 53.3 percent in November 2015. The series low for the employment-to-population ratio occurred in December 2015 when the employment-to-population ratio hit 53.3 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.

